TERGRANDUR FOR: CHIZE, PULITICAR AND PSYCHOLOGICAL WARDARD

SUBJECT : Daily Log

JBUP JS

reports that Egyptian Vice Premier Gamal Abd al Masr. in a conversation with an officer of the U.S. Embassy regarding the Egyptian tax claim against ex-King Zog, suggested that the d.S. buy the gold which Zog has in Egypt, paying Zog in dollars in the U.S.: the U.S. could then sell the gold to the Egyptian banks for Egyptian pounds, later using the pounds to pay current b.S. Government expenses in Egypt. The American Ambassador has expressed the hope that this may be discreetly accomplished by GIA. reported that their contact with Zog stated Zog had had no official or unofficial communication from the Egyptian Government during the week ending 17 October. The contact turned over 72og 's file of Albanian documents relating to his relations with our operations: at the same time he reported that a police liaison officer had stated that a new raid on Zog's quarters, involving body searches, was contemplated by the police before 22 October. On the recommendation of the field, no action is being taken regarding Nasr's suggestion until the results of the latest discussion with Zog in Alexandria are received. JL8h dtd 19 Oct 53, IN 27219; 209 dtd 19 Oct 53, IN 27337)

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